

The Workforce Services and Community and Economic Development Interim Committee voted unanimously on 10/19/05 to recommend this draft legislation as a committee bill.

Senate Sponsor:

Co-sponsor:

Key Points:

- Endorsed by the Employment Advisory Council
- Continues Social Security offset of 50 percent (formerly 100 percent)
- Utilizes Reed Act Funds, not state funds

House Sponsor:
Rep. David N. Cox

Co-sponsor:

Rep. Janice M. Fisher
Rep. Steven R. Mascaro
Rep. Karen W. Morgan
Rep. Mark W. Walker
Rep. Peggy Wallace



UTAH DEPARTMENT OF WORKFORCE SERVICES

Utah's Job Connection

BILL #: HB 18

TITLE: UNEMPLOYMENT COMPENSATION SOCIAL SECURITY OFFSET

SUMMARY:

Section 35A-4-401

- House Bill 8 of the 2004 General Session provided that only 50 percent of an individual's Social Security retirement benefit would be used to offset (reduce) an individual's UI benefit entitlement.
- Prior to the law change, 100 percent of the Social Security benefits were used to reduce one's potential UI benefit amount.
- The law was scheduled to sunset after 3 years. The Employment Advisory Council unanimously voted to extend the sunset provision an additional four years.
- All benefit costs attributable to this provision will continue to be charged to federal Reed Act Funds.
- Approximately \$400,000 (representing 1,030 UI claimants) was charged to Reed Act Funds in the fiscal year 2005. It is anticipated that future years will cost a similar amount provided the unemployment rates remain at a similar level.

National Trend for 2005:

- 31 States (58 percent) have no Social Security offset.
- 12 States (23 percent) including Utah have 50 percent offset.
- 10 States (19 percent) have 100 percent offset.
- In 2004 six states changed their law to no longer reduce UI benefits.
 - Five of the six states went from 100 percent offset to no offset.
 - Utah changed to a 50 percent offset
- Arizona, Idaho, Nevada, and New Mexico do not have any reductions on Social Security. Colorado, Wyoming, and Utah have a 50 percent offset

For more information contact:

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